

## Message Text

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ORIGIN PA-02

INFO OCT-01 ISO-00 SS-15 PRS-01 SSO-00 CCO-00 /019 R

DRAFTED BY PA/M:BDSHANKS  
APPROVED BY PA/M:LHYDLE  
S/S RPERITO

-----053336 091651Z /47

O 091627Z AUG 77 ZFF4  
FM SECSTATE WASHDC  
TO USDEL SECRETARY IMMEDIATE

UNCLAS STATE 187406 TOSEC 080226

FOR CARTER FROM PA

E.O. 11652: N/A

TAGS: SOPN, OVIP (VANCE)

SUBJECT: PRESS MATERIAL

1. HERewith FULL TEXT GRAHAM HOVEY BY-LINER NEW YORK TIMES TUESDAY AUGUST 9 HEADED "CANAL NEGOTIATORS SAID TO SEEK ACCORD BY TOMORROW".
2. PANAMA, AUGUST 8--UNITED STATES AND PANAMANIAN NEGOTIATORS HELD LONG SESSIONS TODAY IN AN ATTEMPT TO BRIDGE THE REMAINING GAPS AND CONCLUDE A TREATY THAT WOULD PROVIDE FOR TRANSFER OF THE PANAMA CANAL AND THE CANAL ZONE TO PANAMANIAN CONTROL BY THE YEAR 2000.
3. THE NEGOTIATING TEAMS WERE REPORTEDLY AIMING AT A WEDNESDAY DEADLINE FOR A JOINT ANNOUNCEMENT OF AGREEMENT ON ALL MAJOR POINTS OF A TREATY. IT WOULD REPLACE THE 1903 PACT UNDER WHICH THE UNITED STATES TOOK CONTROL OF THE CANAL ZONE AND BUILT THE CANAL.

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4. IF THE NEGOTIATORS CAN INITIAL THE AGREEMENT WEDNESDAY, BOTH AMERICAN AND PANAMANIAN SOURCES SAID THEY THEN EXPECTED PRESIDENT CARTER AND BRIG. GEN. OMAR TORRIJOS HERRERA, THE PANAMANIAN CHIEF OF GOVERNMENT, TO TAKE RESPONSIBILITY FOR ANNOUNCING AND EXPLAINING THE

DETAILS OF THE TREATY.

5. ONE REASON FOR THE DEADLINE IS THAT THE COMMISSION OF SOL M. LINOWITZ AS CO-NEGOTIATOR FOR THE UNITED STATES WITH THE RANK OF AMBASSADOR EXPIRES WEDNESDAY. THE PRESIDENT CAN CONFER AMBASSADORIAL RANK WITHOUT SENATE APPROVAL TO PERSONS ASSIGNED SPECIAL INTERNATIONAL FUNCTIONS, BUT ONLY FOR SIX MONTHS.

6. MR. LINOWITZ, WHO HAS SHARED THE NEGOTIATING DUTIES WITH ELLSWORTH BUNKER SINCE FEBRUARY, IS EXPECTED TO REMAIN A SENIOR ADVISER TO THE AMERICAN DELEGATION AND A KEY LIEUTENANT FOR THE ADMINISTRATION IN THE INEVITABLE STRUGGLE TO OBTAIN A TWO-THIRDS MAJORITY IN THE SENATE FOR THE NEW TREATY.

7. "WE'RE MOVING APACE AND WE'RE MOVING IN THE RIGHT DIRECTION," MR. LINOWITZ SAID AT THE START OF THE AFTER-NOON NEGOTIATING SESSION TODAY IN PANAMA CITY'S HOLIDAY INN.

8. AS THAT SESSION GOT UNDER WAY AND BEFORE THE DOORS WERE CLOSED TO THE PRESS, ARISTIDES ROYO, ACTING HEAD OF THE PANAMANIAN NEGOTIATING TEAM, PRESENTED THE UNITED STATES TEAM WITH COPIES OF WHAT HE DESCRIBED AS REVISIONS OF AN AMERICAN TREATY DRAFT GIVEN TO THE PANAMANIAN UNCLASSIFIED

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JULY 11. MR. ROYO WOULD NOT CHARACTERIZE THE COUNTER-PROPOSALS.

9. THERE APPEARED TO BE NO ATMOSPHERE OF CRISIS AROUND THE NEGOTIATING CHAMBER, HOWEVER, AND BOTH SIDES SAID THEY WERE OPTIMISTIC.

10. THE UNITED STATES TEAM WAS ENORMOUSLY RELIEVED ON FRIDAY WHEN IT LEARNED THAT GENERAL TORRIJOS HAD USED A MEETING OF FIVE LATIN AMERICAN HEADS OF GOVERNMENT IN BOGOTA TO ASK FOR HELP IN EXPLAINING TO HIS OWN COUNTRY AND OTHERS THAT PANAMA HAD OBTAINED THE BEST POSSIBLE TREATY UNDER THE CIRCUMSTANCES.

11. SPECIFICALLY, THE GENERAL HAD ASKED THE OTHER LEADERS TO HELP EXPLAIN THE NECESSITY, IN A PROTOCOL THAT WILL ACCOMPANY THE TREATY, FOR AN INDEFINITE UNITED STATES ROLE IN THE DEFENSE OF THE CANAL, SHOULD THIS EVER BE NECESSARY.

12. AT THE END OF LAST WEEK, THE TWO SIDES WERE VIRTUALLY IN AGREEMENT ON ANOTHER OF THE FORMIDABLE REMAINING

ISSUES: THE SUM TO BE PAID ANNUALLY TO PANAMA FOR THE USE OF THE CANAL DURING THE 23-YEAR LIFE OF THE TREATY. THE UNITED STATES IS BELIEVED TO HAVE OFFERED TO RAISE IT FROM THE PRESENT \$2.3 MILLION TO \$50 MILLION AND TO AGREE TO RECOMMEND AN EXTENSIVE PROGRAM OF ECONOMIC ASSISTANCE FOR PANAMA IN LIEU OF A HUGE INITIAL "DOWN PAYMENT" GENERAL TORRIJOS HAD FORMERLY DEMANDED.

13. ON ANOTHER OUTSTANDING ISSUE, KNOWN AS "LANDS AND WATERS," A SEPARATE NEGOTIATION WAS BEING HELD TODAY BY TECHNICAL TEAMS OF THE TWO SIDES. THIS IS THE SCHEDULE UNDER WHICH THE UNITED STATES WILL TURN OVER THE VARIOUS SECTORS OF THE 533-SQUARE-MILE CANAL ZONE DURING THE

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LIFE OF THE NEW TREATY. CHRISTOPHER

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## Message Attributes

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Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009